

RAG

Date: May 16, 2006
To: Honorable Mayor and City Council
Through: Charles Lawson, City Manager
From: Emma Karlen, Director of Financial Services
Prepared by: Rosemary Beltran, Administrative Analyst II
Subject: 2006-07 Proposed Budget Modification Sheet

The following revisions are proposed to the 2006-07 Operating Budget due to errors, omissions or revisions identified after the documents were printed. These changes will be incorporated into the Final Budget document.

Item No.	Page No.	Revision	Increase (Decrease) To Fund Balance
1.	98	Increase City Council's Memberships and Dues budget by \$1,064 to \$44,993 to provide for the 10% increase in Santa Clara County Cities Association (SCCCA) membership dues for the City of Milpitas.	(\$1,064)
2.	118	Increase Recreation's Senior Citizen Equipment budget by \$10,400 for a bingo board approved by the City Council.	(\$10,400)
3.	154	Increase Fire's Supplies budget by \$10,860 to \$250,960 for fixture and building repairs.	(\$10,860)
4.	150, 155, 156	Increase Police's Personnel Services budget by \$369,597 to \$19,294,441 for salary increases pursuant to the Milpitas Police Officer's Association's (MPOA) Memorandum of Understanding (MOU) approved on 5/16/06. Funding will be transferred from the payroll adjustment line item in the Non-Departmental budget.	N/A

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5.	48, 92,93	Net increase of operating transfers from RDA Fund, Water Fund and Sewer Fund due to above budget revisions.	\$6,978
6.	Divider (Before 131), 133	Change Finance's organization chart and personnel allotment to reflect the reclassification of Office Assistant II and Cashier to Fiscal Assistant I/II.	N/A
7.	137	Change Public Work's Personnel Allotment table to show the Maintenance Custodian III position as vacant.	N/A
8.	Divider (Before 139)	Change Engineering's organization chart to reflect the reorganization of Public Works and Engineering in one department.	N/A
9.	149	Change the Police's personnel allotment from 137.25 FTE to 137.50 FTE.	N/A
10.	152	Change Fire's first performance measures for average response times to 4:06, 4:18, 4:07 and 4:12.	N/A
11.	175	Change the Redevelopment Agency ending fund balance date from 6/30/06 to 6/30/07.	N/A

Net reduction to the fund balance of the General Fund

(\$15,346)

	Grand Total	General Fund (1)	Library Fund
ESTIMATED REVENUES			
PROPERTY TAXES	43,846,000	15,609,000	0
TAXES OTHER THAN PROPERTY	25,829,750	24,207,000	1,082,750
LICENSES AND PERMITS	4,278,000	4,278,000	0
FINES AND FORFEITS	812,000	812,000	0
USE OF MONEY AND PROPERTY	6,364,000	993,000	176,000
INTERGOVERNMENTAL	3,723,078	689,000	0
CHARGES FOR CURRENT SERVICES	28,097,000	3,556,000	0
OTHER REVENUE	13,255,800	63,000	0
sub-total	126,205,628	50,207,000	1,258,750
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	44,762,335	(20,552)	(913,750)
(INCREASE) DECREASE IN CIP RSRV	(1,499,675)	0	0
(INCREASE) DECREASE IN HOUSING RSRV	(5,330,598)	0	0
OPERATING TRANSFERS IN	20,573,582	18,113,582	0
OPERATING TRANSFERS OUT	(20,573,582)	0	0
sub-total	37,932,062	18,093,030	(913,750)
TOTAL	164,137,690	68,300,030	345,000
BUDGET APPROPRIATIONS			
PERSONNEL SERVICES	60,886,955	54,973,871	0
SUPPLIES & CONTRAC SVCS	30,072,691	12,045,759	345,000
CAPITAL OUTLAY	550,750	24,400	0
sub-total	91,510,396	67,044,030	345,000
CAPITAL IMPROVEMENTS	54,651,294	0	0
DEBT SERVICE	17,976,000	1,256,000	0
sub-total	72,627,294	1,256,000	0
TOTAL	164,137,690	68,300,030	345,000
FUND BALANCE			
FUND BALANCE 7/1/06	230,143,472	24,543,926	6,208,945
(INCREASE) DECREASE IN FUND BALANCE	(37,932,062)	20,552	913,750
FUND BALANCE 6/30/07	192,211,410	24,564,478	7,122,695
RESERVED	46,895,592	1,200,000	0
UNRESERVED - DESIGNATED	14,080,578	6,957,883	7,122,695
UNRESERVED, DESIGNATED FOR CIP	56,074,867	0	0
UNRESERVED, DESIGNATED FOR PERS	5,400,000	5,400,000	0
UNRESERVED, DESIGNATED FOR HOUSING	31,036,678	0	0
UNRESERVED, UNDESIGNATED	38,723,695	11,006,595	0
TOTAL	192,211,410	24,564,478	7,122,695

(1) General Fund balance includes accrued leave, and insurance liability accounts.

(2) Special Revenue Funds include Public Art Fund, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Block Grant Funds, Abandon Vehicle Abatement Funds, Solid Waste Services Fund and Equipment Replacement Funds.

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund and Storm Drain Capital Improvement Fund.

Financial Information Budget Summary

<u>Special Revenue (2)</u>	<u>Capital Projects (3)</u>	<u>Redevelopment (4)</u>	<u>Water Fund (5)</u>	<u>Sewer Fund (6)</u>
0	0	28,237,000	0	0
540,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
274,000	534,000	3,488,000	256,000	643,000
1,906,000	996,092	131,986	0	0
42,000	0	0	15,068,000	9,431,000
294,000	380,000	2,035,800	408,000	10,075,000
<u>3,056,000</u>	<u>1,910,092</u>	<u>33,892,786</u>	<u>15,732,000</u>	<u>20,149,000</u>
2,287,289	0	44,300,438	(904,926)	13,836
0	(420,675)	0	(431,000)	(648,000)
0	0	(5,330,598)	0	0
0	2,270,000	190,000	0	0
(1,537,613)	(1,054,178)	(12,918,125)	(2,949,529)	(2,114,137)
<u>749,676</u>	<u>795,147</u>	<u>26,241,715</u>	<u>(4,285,455)</u>	<u>(2,748,301)</u>
<u>3,805,676</u>	<u>2,705,239</u>	<u>60,134,501</u>	<u>11,446,545</u>	<u>17,400,699</u>
1,178,766	0	1,457,821	2,103,828	1,172,669
2,212,960	138,945	1,146,680	7,670,317	6,513,030
413,950	0	0	112,400	0
<u>3,805,676</u>	<u>138,945</u>	<u>2,604,501</u>	<u>9,886,545</u>	<u>7,685,699</u>
0	2,566,294	40,810,000	1,560,000	9,715,000
0	0	16,720,000	0	0
0	2,566,294	57,530,000	1,560,000	9,715,000
<u>3,805,676</u>	<u>2,705,239</u>	<u>60,134,501</u>	<u>11,446,545</u>	<u>17,400,699</u>
10,696,539	16,358,180	142,070,160	8,700,017	21,565,705
(2,287,289)	420,675	(38,969,840)	1,335,926	634,164
<u>8,409,250</u>	<u>16,778,855</u>	<u>103,100,320</u>	<u>10,035,943</u>	<u>22,199,869</u>
8,409,250	0	36,842,791	200,000	243,551
0	0	0	0	0
0	16,778,855	14,795,300	4,639,597	19,861,115
0	0	0	0	0
0	0	31,036,678	0	0
0	0	20,425,551	5,196,346	2,095,203
<u>8,409,250</u>	<u>16,778,855</u>	<u>103,100,320</u>	<u>10,035,943</u>	<u>22,199,869</u>

(4) Redevelopment Agency Funds include Housing Reserve Fund, Redevelopment Project Fund and Tax Allocation Bond Fund.

(5) Water Fund balances are working capital and include Water Fund, Water Fund CIP, Water Line Extension Fund and Recycled Water Fund.

(6) Sewer Fund balances are working capital and include Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund and South Bay Water Recycling Program Fund.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT
FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2006-2007**

WHEREAS, Article XIII B, section 1 of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided; and

WHEREAS, this article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

WHEREAS, the appropriations base for 1978-79 had been determined and adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2006-2007 of \$56,673,996.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milpitas hereby adopts the appropriations limit for fiscal year 2006-2007, that amount as set forth herein.

PASSED AND ADOPTED this _____ day of _____ 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

RESOLUTION NO. _____

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
AND OF THE MILPITAS REDEVELOPMENT AGENCY
APPROVING THE FINAL BUDGET FOR THE
CITY OF MILPITAS FOR THE FISCAL YEAR 2006-2007**

WHEREAS, the City Manager submitted a 2006-2007 Proposed Budget and Financial Plan; and

WHEREAS, public hearings were held on the proposed Plan where all interested persons were heard; and

WHEREAS, the City Council and the Redevelopment Agency reviewed and modified the City Manager's 2006-2007 Proposed Budget and Financial Plan; and

WHEREAS, on May 9, 2006, the City Council and the Redevelopment Agency approved the 2006-2007 Financial Plan, as amended, and on May 16, 2006, approved the 2006-2007 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The annual budget for the City of Milpitas for fiscal 2006-2007 is hereby reaffirmed and adopted totaling \$164,137,690 for all appropriated funds.

SECTION 2. Appropriations and estimated fund balances are hereby made for the various purposes designated in the 2006-2007 Final Budget.

SECTION 3. The budgets for all departments for the period July 1, 2006 through June 30, 2007, inclusively contained in the 2006-2007 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2006-2007.

SECTION 3.5. The part-time positions of Police Assistant and Property Clerk in the Police Department shall be eliminated from the fiscal year 2006-2007 Police Department budget, and the position of Crime Analyst shall be retained the fiscal year 2006-2007 Police Department budget.

SECTION 4. Any unused non-salary and benefits related appropriations, subject to the approval of the City Manager, at the end of fiscal 2006-2007 may be reappropriated for continued use in fiscal 2007-2008.

SECTION 5. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the classification of expenditures pursuant to this resolution. Budgetary control shall be at the department level.

SECTION 6. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the Budget as adopted, budget revisions subject to the following conditions:

1. Prior Council/Agency Approval Not Required. Prior approval of the City Council and/or Redevelopment Agency is not required under the following circumstances:
 - a. When revisions which involve transfers from appropriated contingency reserves are less than the aggregate amount of 1% of General Fund appropriations, or \$683,000 during fiscal 2006-2007, provided that the Council/Agency is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.
 - b. When revisions involve transfers within various departments or projects within the same fund provided that the amount of transfer in any single instance does not exceed \$20,000.

- c. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council/Redevelopment Agency during the fiscal 2006-2007 Budget hearing.
- 2. Prior Council/Agency Approval Required. Prior approval of the City Council and/or Redevelopment Agency is required if any of the following are involved:
 - a. Changes providing for increases in permanent personnel or changes in classification for personnel from the number of classes or personnel approved in the adopted Budget.
 - b. Contract change orders in excess of \$10,000.
 - c. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
 - d. Transfers from contingent reserves which would cause the aggregate amount of 1% of General Fund appropriations, or \$683,000 during fiscal 2006-2007, to be exceeded.

PASSED AND ADOPTED this _____ day of _____ 2006, by the following vote of the City Council and the Redevelopment Agency:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

**A JOINT RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY
AND THE CITY COUNCIL OF THE CITY OF MILPITAS MAKING FINDINGS
FOLLOWING A PUBLIC HEARING FOR USE OF REDEVELOPMENT FUNDS**

WHEREAS, the Milpitas Redevelopment Agency and the City Council of the City of Milpitas seek to acquire, construct, and improve certain public facilities of benefit to the Redevelopment Area and to the community; and

WHEREAS, the 2006-2011 Capital Improvement Program enumerates the capital projects that the Agency and the City of Milpitas wishes to undertake, setting forth the desired timing and financing resources for the projects that is available to undertake said projects; and

WHEREAS, notice was given of a joint public hearing before the Milpitas Redevelopment Agency and the City Council of the City of Milpitas at 6:00 p.m. on May 9, 2006, at the Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, California; and

WHEREAS, prior to said hearing the 2006-2011 Capital Improvement Program was prepared and made available for public inspection and copying, and the 2006-2007 Capital Budget of the 2006-2011 Capital Improvement Program is hereby referred to and made a part hereof as though fully set forth herein; and

WHEREAS, a joint hearing was held at said time and place. Opportunity was given to any member of the public to comment, and to inquire. The hearing was closed, and following the close thereof the 2006-2011 Capital Budget was approved, as amended; and

WHEREAS, evidence was offered by the Agency/City staff in support of the findings hereafter made.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Each of the statements contained in the above recitals are true and correct, and incorporated herein by reference and are approved and confirmed.

SECTION 2. The evidence offered by the Agency/City staff and contained in the 2006-2011 Capital Improvement Program set forth the facts supporting the determinations required to be made pursuant to Section 33445 of the Health and Safety Code and set forth the redevelopment purpose for which redevelopment funds are being used to pay for the acquisition, construction, and improvements of publicly owned facilities.

SECTION 3. The land and facilities to be acquired, constructed, and improvements that are to be made thereon are within the Project Area of the Agency or adjacent to the Project Area.

SECTION 4. The acquisition of land, facilities, buildings, structures, and other improvements to be acquired or constructed as set forth in the 2006-2011 Capital Improvement Program are of benefit to the Project Area and will assist in eliminating blighting conditions within the Project Area.

SECTION 5. No other reasonable means of financing such buildings, land, facilities, structures or other improvements are available to the community.

PASSED AND ADOPTED this _____ day of _____ 2006, by the following vote of the Redevelopment Agency and the City Council of the City of Milpitas:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY
DETERMINING THAT THE PLANNING AND ADMINISTRATION EXPENSES TO
BE FUNDED IN FISCAL YEAR 2006-2007 BY THE HOUSING RESERVE FUND
ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT AND/OR PRESERVATION
OF AFFORDABLE HOUSING FOR THE LOW AND MODERATE INCOME HOUSEHOLDS**

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project Area No. 1 ("Original Project Area"); and

WHEREAS, the Redevelopment Plan has been amended a total of eight (8) times to, among other things, add area to the Original Project Area, increase the tax increment and bonded indebtedness limits, and extend the dates to incur debt, repay debt and collect tax increment; and

WHEREAS, pursuant to Section 33334.2(a) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) not less than 20% of all taxes which are allocated to the Milpitas Redevelopment Agency ("Agency") shall be set aside by the Agency in a Housing Reserve Fund and used by the Agency for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing costs to people and families of low and moderate income; and

WHEREAS, pursuant to Section 33334.3(d) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) it is the intent of the California State Legislature that the amount of money spent for planning and general administration from the Housing Reserve Fund not be disproportionate to the amount actually spent for the cost of production.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Agency hereby determines that it is necessary to allocate \$694,714 of the estimated \$5,471,000 Housing Reserve Fund Budget for the planning and administrative expenses necessary for the production, improvement, and/or preservation of low and moderate housing during the 2006-2007 fiscal year.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2006, by the following vote of the Milpitas Redevelopment Agency:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Agency Secretary

Jose S. Esteves, Chairperson

APPROVED AS TO FORM:

Steven T. Mattas, Agency Counsel

**A RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY AUTHORIZING
PAYMENTS TO THE CITY OF MILPITAS PURSUANT TO THE SECOND
AMENDED AND RESTATED PUBLIC WORKS AGREEMENT**

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas ("City") adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project No. 1, which the City has subsequently amended a total of eight times (as amended, the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) and its general city powers, the City desires to assist the Milpitas Redevelopment Agency ("Agency") in the implementation of the Project; and

WHEREAS, on June 3, 2003, the City and the Agency entered into a Second Amended and Restated Public Works Agreement ("Agreement") for the construction of Public Improvements; and

WHEREAS, under the Agreement, the City is required to cause the acquisition and construction of certain public improvements and the performance of certain programs and activities as identified in the Redevelopment Agency Financing pages of the Five Year Capital Improvement Program, attached hereto as Attachment No. 1 (the "Public Improvements") to serve and benefit the Project; and

WHEREAS, the Agency and the City have determined that the Public Improvements are of benefit to the Project, and that no other reasonable means of financing such Public Improvements are available to the community.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

In return for the City's obligation to acquire, construct and perform such Public Improvements, the Agency shall pay to the City full cost of the Public Improvements as set forth in Attachment No. 1, or any portion thereof as demanded by the City.

PASSED AND ADOPTED this _____ day of _____ 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Agency Secretary

Jose S. Esteves, Chairperson

APPROVED AS TO FORM:

Steven T. Mattas, Agency Counsel

City of Milpitas
2006-11 CAPITAL IMPROVEMENT PROGRAM
REDEVELOPMENT AGENCY FINANCING

RDA Tax Increment

Summary	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
Community Improvement	1,000,000	600,000	500,000	0	180,000	2,280,000
Park Improvement	(175,000)	0	0	0	0	(175,000)
Sewer Improvement	(140,000)	0	0	0	0	(140,000)
Storm Drain Improvement	0	0	800,000	0	0	800,000
Streets	273,014	285,000	85,000	2,106,000	0	2,749,014
Water	0	0	0	0	0	0
RDA Tax Increment Totals	958,014	885,000	1,385,000	2,106,000	180,000	5,514,014

RDA Bond (1997, 2000, and 2003)

Summary	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
Community Improvement	33,950,000	0	8,700,000	0	0	42,650,000
Sewer Improvement	0	0	0	0	0	0
Streets	4,350,000	0	0	0	0	4,350,000
RDA Bond Totals	38,300,000	0	8,700,000	0	0	47,000,000

Community Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8160 Sports Center Large Gym Improvements	1,250,000	0	0	0	0	1,250,000
8162 Library Project	33,700,000	0	0	0	0	33,700,000
8176 Senior Center	0	0	8,700,000	0	0	8,700,000
New Community Center HVAC	0	0	500,000	0	0	500,000
New Corporation Yard Canopies	0	450,000	0	0	0	450,000
New In-ground Water Clarifiers	0	150,000	0	0	180,000	330,000
Total:	34,950,000	600,000	9,200,000	0	180,000	44,930,000

Park Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
5064 Ball Park Fence Field Extension	(175,000)	0	0	0	0	(175,000)
Total:	(175,000)	0	0	0	0	(175,000)

Streets

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
4202 Calaveras Blvd. R/R Overcrossing Sidewalk Improvements	0	200,000	0	0	0	200,000
4232 Milpitas Communication Enhancements	170,000	0	0	0	0	170,000
8164 Bart Extension Coordination and Planning	85,000	85,000	85,000	0	0	255,000
8165 N. Main St. Midtown Streetscape Improvements	4,350,000	0	0	0	0	4,350,000
New Light Rail Median Landscaping	0	0	0	1,416,000	0	1,416,000
New North Milpitas Blvd. Soundwall Renovation	0	0	0	150,000	0	150,000
New Singloy Area Phase 4	18,014	0	0	540,000	0	558,014
Total:	4,623,014	285,000	85,000	2,106,000	0	7,099,014

Sewer Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8167 S. Main St. Sewer Replacement	(140,000)	0	0	0	0	(140,000)
Total:	(140,000)	0	0	0	0	(140,000)

Storm Drain Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8140 Oakcreek Pump Station Improvement	0	0	800,000	0	0	800,000
Total:	0	0	800,000	0	0	800,000

City of Milpitas

Department of Financial Services



Date: May 26, 2006

To: Honorable Mayor and City Council

Through: Charles Lawson, City Manager

From: Emma C. Karlen, Director of Financial Services *Em C Karlen*

Subject: Evidence in support of Health & Safety Code §33445 Findings

Background:

The purpose of this report is to offer evidence to the Milpitas Redevelopment Agency Board and to the City Council, supporting findings that are consistent with the requirements of Health and Safety Code §33445. With the consent of the legislative body, the Agency may pay all or part of the value of the land and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or outside the project area, if the legislative body determines the following:

1. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located.
2. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community.
3. That the payment of funds for acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the Project area, or provide housing for low or moderate-income persons and is consistent with the Implementation Plan.

Several of the projects to be financed by the Agency in the 2006-2007 Capital Improvement Program are either ongoing projects or have been identified in earlier Capital Improvement Programs. H&S §33445 findings for these projects have been made in previous years. Community Redevelopment Law changed in 1994 as a result of the passage of AB1290, specific blight findings are now required. Consequently, this report will reference many of the physical and economic conditions that cause blight as described in Health & Safety Code §33031 and how the financing of the projects listed will assist in the elimination of blighting conditions inside the Project Area.

Discussion:

The buildings, facilities, structures, or other improvements proposed to be funded in whole or in part by the Agency are enumerated in the 2006-2011 Capital Improvement Program. They are categorized as Community Improvement Projects, Park Improvement Projects, Street Improvement Projects, and Utility Improvement Projects. The proposed format and amounts of financing for these projects for fiscal year 2006-2007 are outlined in the 2006-2011 Capital Improvement Program.

Community Improvements

Project	Blighting Conditions	Improvements
Sports Center Large Gym Improvements	The Sports Center provides recreational services for citizens throughout the City. Its proximity to the Project Area benefits low and moderate income citizens in the neighborhood. Improvements are needed to replace the floor and support structure in the gym. The existing conditions are unsafe for citizens and community groups to use.	These projects will include replacing the 40-year old gymnasium floor and dilapidated bleachers, add new wall safety padding in the large gym and improve sewer lateral. The improvements will eliminate the blighting conditions of an unsafe public building for public use. The projects will also eliminate blighting conditions of inadequate recreational facilities and enhance property values of neighboring low and moderate income homes.
Library	The Midtown Area was added to the Redevelopment Project Area in June 2003. Many blighting conditions were identified in the Midtown including buildings of substandard design, incompatible land uses, lower taxable retail sales, low residential and commercial sales prices, low lease rates and an increase in business closures.	The project will provide for the design and ultimately construction of a new library in the Midtown Area. The New Milpitas Public Library will be located at the historic Milpitas Grammar School. The existing Library in the Town Center is a highly utilized library but is extremely inadequate in size to serve its users. The new Library will eliminate blighting conditions in the Midtown by serving as a catalyst to bring patronage to the area and revitalize the commercial and residential development in Midtown.

Street Improvements

Project	Blighting Conditions	Improvements
Milpitas Communication Enhancements	The Midtown Area was added to the Redevelopment Project Area in June 2003. Many blighting conditions were identified in the Midtown including buildings of substandard design, incompatible land uses, lower taxable retail sales, low residential and commercial sales prices, low lease rates and an increase in business closure.	This project will provide for the deployment of communications cables and equipment to support future Midtown improvement projects and meet the demands of the information system and traffic signal system in the Transit Area. The new communications media will provide for a communications ring around the City linking all City facilities. These improvements will eliminate blight by providing for adequate communication capacity and traffic circulation into the Project Area.
BART Extension Coordination and Planning	The Midtown Area was added to the Redevelopment Project Area in June 2003. Many blighting conditions were identified in the Midtown including buildings of substandard design, incompatible land uses, lower taxable retail sales, low residential and commercial sales prices, low lease rates and an increase in business closure.	This project will include coordination of utilities, Right of Way and other design features with outside agencies to extend BART from Fremont to San Jose with in station close to the Midtown Area in Milpitas. These improvements will transition the Midtown Area to a transit oriented, high density housing area. By funding this project, the Agency will spur infill housing and stimulate commercial activities.
N. Main Street Midtown	The Midtown Area was added to the Redevelopment Project Area in June	This project will provide for street reconstruction and streetscape on Main

Streetscape Improvement	2003. Many blighting conditions were identified in the Midtown including buildings of substandard design, incompatible land uses, lower taxable retail sales, low residential and commercial sales prices, low lease rates and an increase in business closure.	Street. This project transforms Main Street into a pedestrian friendly setting, with decorative lighting, street trees and other landscaping such as median landscape islands, narrowing the intersections, decorative sidewalks, sidewalk improvements, and street furniture. This project will eliminate blighting conditions by bringing patronage to this area and revitalize the commercial and residential development in the Midtown.
Singley Area Phase 4	Within the Project Area, there are many depreciated and stagnant property conditions partly due to dilapidated sidewalk and street settlements.	This project will replace existing curb and gutters, driveways, ramps, sidewalk, and asphalt pavement sections with new facilities, installation of asphalt concrete overlay and deep lift, storm drain pipes, drainage inlets, and subsurface drainage system in various streets in the Singley street area. These projects will provide the transportation infrastructure and traffic circulation to improve the conditions of stagnant property values within the Project Area

Each of these projects will benefit the Project Area, and each project is consistent with the updated Five-Year Redevelopment Implementation Plan and the Amended and Restated Redevelopment Plan, adopted by the City Council and Agency in June 2003. Although many of these projects are partially funded by various revenue sources such as gas tax, grants, user fees, and developer contributions, these revenues are inadequate to fund all the foregoing projects. Without the Agency's funding, there are no other reasonable means of funding to complete these projects. The blighting conditions described above cause and will continue to cause a reduction and lack of proper utilization of the Project Area to such an extent that theses conditions cannot be alleviated either by private enterprise or the City acting alone, requiring redevelopment financing to be used in the interest of the community.

Recommendation:

Adopt Resolution finding that the financing proposed is consistent with the purpose of redevelopment and the Agency's Implementation Plan, benefiting the Project Area and assisting in the elimination of blight in the Project Area and that no other reasonable means of financing the projects are available to the community.

***RA6**

ADDITIONAL ATTACHMENT FOR

Item # *RA6: Final Acceptance of the 2006 – 2007 Operating Budget
and Capital Improvement Program

IS AVAILABLE AT THE CITY HALL
INFORMATION DESK